

STATE OF CONNECTICUT

**AUDITORS' REPORT
STATE EMPLOYEE CAMPAIGNS
FOR THE 2001 AND 2002 CAMPAIGNS**

AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE

**INDEPENDENT AUDITORS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES
TO THE RECORDS OF THE STATE EMPLOYEE CAMPAIGN
FOR THE 2001 and 2002 CAMPAIGNS**

Paluel Flagg, Chairperson
State Employee Campaign:

Pursuant to Section 5-262 of the General Statutes we have applied certain agreed-upon procedures, as discussed below, to the accounting records of the State Employee Campaign for the 2001 and 2002 campaigns. We present the Summary of Collections Distributed to Federations and Net Distributions After Expenses, and the related Schedule of Details of Net Distributions After Expenses for informational purposes only. Our procedures and findings are as follows:

**Summary of Collections Distributed to Federations and Net Distributions After Expenses –
Agreed-Upon Substantive Procedures:**

Calculation of Collections and Distributions

1. We obtained the Summary of Collections Distributed to Federations and Net Distributions After Expenses. We recalculated the addition of the amounts on the statement, and traced the amounts to the supporting receipt and distribution ledgers and reports.

Cash Receipts

2. We obtained the employees payroll deductions information from transmittals generated by the State Comptroller's Office and traced the amounts to the United Way of Connecticut accounting records, which is the Principal Combined Fund Organization (PCFO). We performed this review to ensure that contributions were properly reflected in the financial statements. We also reviewed the PCFO documents for employee cash contributions and interest information supporting the total receipts reported. We noted no reportable variances.

Cash Disbursements:

3. Using the information on the Distribution Schedules, we recalculated the Gross Distribution percentage of a small sample of Federations for agreement to the distribution percentage reported by the PCFO. We also traced the payments to the check registers, the bank statements and the cancelled checks to confirm that payments were actually made and that the proper payee endorsed the cancelled checks. We noted no exceptions.

Details of Net Distributions After Expenses – Agreed-Upon Procedures:**Allocation of Pledged Dollars and Expenses**

4. We obtained the Details of Net Distributions after Expenses for the Campaign years 2001 and 2002 and the supporting cash distribution schedules. Variances between the percentages of pledged dollars and the percentages of actual distribution to the respective charities were compared. We also recalculated the percentages used to allocate expenses and distribute collections. Our calculation disclosed no inaccuracies, and the variance between the pledged dollars percentage to the actual distribution percentage was insignificant.

Review of Compliance Requirements:**Timeliness Distribution to Federations**

5. We obtained the Combined Receipt & Distribution Schedule and the check register and compared the receipt dates with the distribution dates to determine if the distributions were made within 30 days of receipt. We noted a total of 15 instances (13 in Campaign year 2001 and 2 in Campaign Year 2002) in which the distributions were not made within the required time. The number of days late ranged from 1 to 57.
6. We obtained the Final Expenditure Reports and the Approved Budget amounts for the 2001 and 2002 Campaign years and reviewed them for reasonableness and compliance with statutory requirements. We also reviewed the detail of one major expense category for reasonableness. We noted no unusual or unexplained variances. Administrative expenses did not exceed 110 percent of the budgeted amounts, as required by Section 5-262, subsection (f), of the General Statutes.

Committee Meetings and Minutes

7. We have obtained and reviewed the appointment letters for the members of the Committee, as well as the minutes of the Committee meetings to determine compliance with statutory requirements. We noted that the Committee operated with one less appointed member for calendar year 2002.

Reporting Requirements

8. We reviewed for compliance with reporting requirements and noted that reports were submitted to the appropriate agencies in accordance with State statutes. We also noted that minutes were available for all meetings held during the audited period.

Because the above procedures do not constitute an audit made in accordance with generally

acceptable auditing standards, we do not express an opinion on any of the accounts or items referred to above. Had we performed additional procedures, matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and do not extend to the financial statements of the State Employee Campaign taken as a whole.

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

September 29, 2004
State Capitol
Hartford, Connecticut

Statement 1

**STATE EMPLOYEE CAMPAIGN
SUMMARY OF COLLECTIONS DISTRIBUTABLE TO FEDERATIONS
AND NET DISTRIBUTIONS AFTER EXPENSES
FOR THE 2001 and 2002 CAMPAIGNS**

	<u>Campaign</u>	
	<u>2002</u>	<u>2001</u>
Receipts:		
Cash contributions	\$ 266,758	\$ 256,073
State payroll deductions	1,308,038	1,316,877
Interest	303	1,326
 Total Receipts	 1,575,099	 1,574,276
Less:		
Boy Scouts Withholding and STIF Interest	13,168	16,666
Total Deductions	13,168	16,666
 Collections distributable to Federations, per Schedule 1	 1,561,931	 1,557,610
 Expenses, per Schedule 1	 247,422	 236,102
 Net Distributions after Expenses, per Schedule 1	 \$ 1,314,509	 \$ 1,321,508

**STATE EMPLOYEE CAMPAIGN
DETAILS OF NET DISTRIBUTIONS AFTER EXPENSES
FOR THE 2001 and 2002 CAMPAIGNS**

Federations	2002 Campaign			2001 Campaign		
	Collections Distributed To Federations	Administrative Expense	Net Distributions after Expenses	Collections Distributed To Federations	Administrative Expense	Net Distributions After Expenses
Americas Charities	\$ 131,836	\$ 20,709	\$ 111,127	\$ 128,461	\$ 19,266	\$ 109,195
Community Health Charities *	249,496	39,173	210,323	243,541	36,525	207,015
Community Works of Connecticut	35,912	5,641	30,271	38,885	5,832	33,053
Earth Share	77,337	12,152	65,186	87,530	13,127	74,402
Greater Hartford Arts Council	19,846	3,118	16,729	17,474	2,621	14,854
Independent Charities of America	211,063	33,158	177,905	189,228	28,380	160,848
International Service Agencies	120,495	18,931	101,564	132,712	19,903	112,808
Share America	72,297	11,360	60,937	43,450	6,516	36,934
United Ways:						
Ansonia	10,982	1,831	9,151	11,746	1,842	9,905
Branford	1,575	247	1,328	1,889	283	1,606
Bridgeport	16,224	2,548	13,676	24,451	3,848	20,602
Bristol	19,076	3,090	15,987	22,616	3,589	19,027
Danbury	12,758	2,007	10,751	10,233	1,535	8,698
Darien	0	0	0	157	24	134
Gales Ferry	55,950	9,229	46,721	74,107	11,475	62,632
Hartford	238,190	38,032	200,158	239,146	36,549	202,597
Meriden	16,914	2,771	14,143	17,311	2,762	14,548
Middletown	41,341	6,854	34,487	56,234	8,854	47,380
Milford	4,095	643	3,452	5,825	874	4,951
Naugatuck	1,575	247	1,328	2,204	331	1,873
New Britain	22,209	3,489	18,720	21,882	3,282	18,601
New Haven	52,608	8,264	44,344	47,543	7,130	40,413
New Milford	1,987	325	1,662	877	189	688
Norwalk	2,363	371	1,992	1,102	165	937
Southington	10,589	1,679	8,909	9,446	1,417	8,029
Stamford	2,835	445	2,390	2,676	401	2,275
Torrington	21,539	3,492	18,047	23,589	3,636	19,953
Waterbury	40,431	6,557	33,874	40,799	6,374	34,425
Willimantic	70,407	11,060	59,347	62,498	9,373	53,125
Totals	1,561,931	247,422	1,314,509	1,557,610	236,102	1,321,508

* This charity was reported as two separate entities in the prior report as Connecticut and South Central Connecticut. The units have since merged.